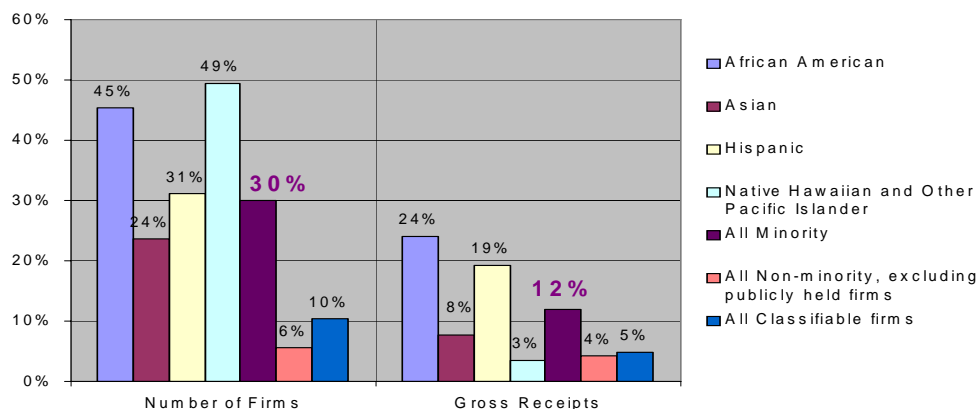


The State of Minority Business

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In April 2008, the Minority Business Development Agency (MBDA) released the report "Characteristics of Minority Businesses and Entrepreneurs" based on data from the U.S. Census Bureau 2002 Survey of Business Owners. A copy of the full report can be found at www.mbda.gov/minoritybizfacts.

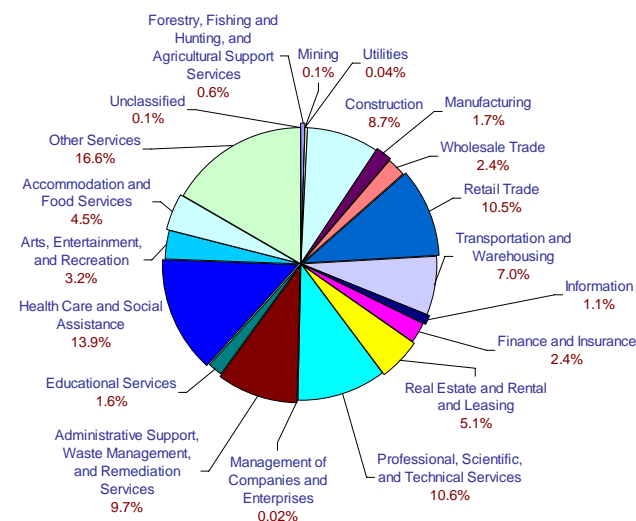
Change in Number and Gross Receipts for Minority Firms, 1997-2002



Between 1997 and 2002:

- The growth of minority-owned firms outpaced the national rate, as they increased by 30% compared to 10% for all classifiable firms.
- Gross receipts for minority firms grew by 12%, which surpassed the growth rate for all classifiable firms.
- Fourteen percent of all minority-owned firms are in Health Care and Social Assistance, which is the largest single industry sector for minority firms.

Minority Business Representation by Industry Sector, 2002



Summary Statistics by Group - 2002

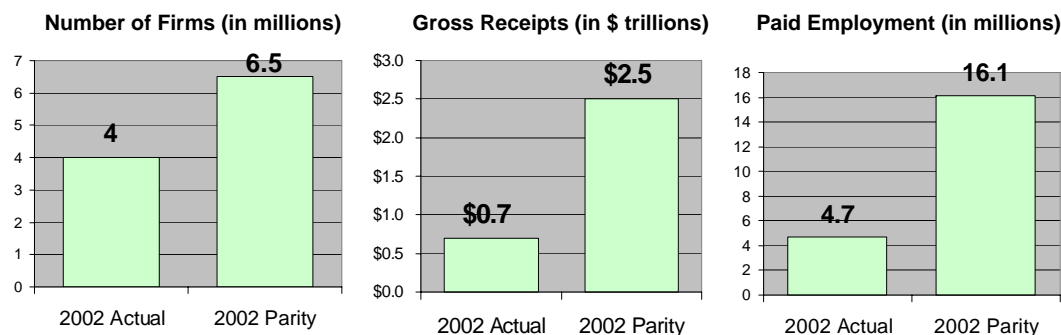
Group	% U.S. Pop. (18yrs +)	No. of Firms	Total Gross Receipts	Ave. Gross Receipts	Paid Employees	BPR (per 1,000 adults)
African American	12.1%	1,198,000 (5.3%)	\$88.6 billion (1.0%)	\$74,000	754,000 (1.4%)	46.1
American Indian & Alaska Native	1.4%	201,000 (0.9%)	\$26.9 billion (0.3%)	\$133,000	191,000 (0.4%)	68.0
Asian	4.5%	1,104,000 (4.9%)	\$326.6 billion (3.7%)	\$296,000	2,214,000 (4.0%)	114.9
Hispanic	11.9%	1,574,000 (7.0%)	\$221.9 billion (2.5%)	\$141,000	1,537,000 (2.8%)	62.2
Native Hawaiian & Other Pacific Islander	0.3%	29,000 (0.1%)	\$4.3 billion (0.1%)	\$148,000	29,000 (0.1%)	46.3
All Minority	29.0%	3,958,000 (17.6%)	\$661.1 billion (7.5%)	\$167,000	4,675,000 (8.4%)	63.8
All Classifiable firms	100.0%	22,480,000 (100.0%)	\$8.8 trillion (100.0%)	\$391,000	55,368,000 (100.0%)	104.5

Source: U.S. Census Bureau, 2007 Special Tabulation for Minority Firms in 2002, 2002 Survey of Business Owners, September 2006; 1997 Survey of Minority- and Women- Owned Business Enterprises, July 2001; National Population Estimates, July 2002, and MBDA Annual Performance Report: Fiscal Year 2005. Statistics do not include publicly held, foreign-owned and not-for-profit entities. Classifiable Firms are all U.S. firms less publicly held, foreign-owned, non-profit and other firms whose ownership cannot be classified in terms of race, ethnicity, or gender. Non-Minority and Classifiable Firms measures are MBDA estimates. Hispanics may be of any race, because business owners were allowed to identify with more than one race category. Due to the exclusion of tribally held governments in 2002, data for American Indian and Alaska Native firms for 1997 and 2002 are not directly comparable. BPR (Business participation rate) is the number of businesses owned by a group for every 1,000 persons age 18 and above in that group. Other Services includes firms not provided for elsewhere in the classification system which are engaged in activities such as equipment and machinery repairing, promoting religious activities, grant-making, advocacy, providing dry-cleaning and laundry services, personal care services and dating services. For methodology, visit www.mbda.gov/minoritybizfacts. Prepared by MBDA's Office of Knowledge Management, September 2008.

Achieving Entrepreneurial Parity

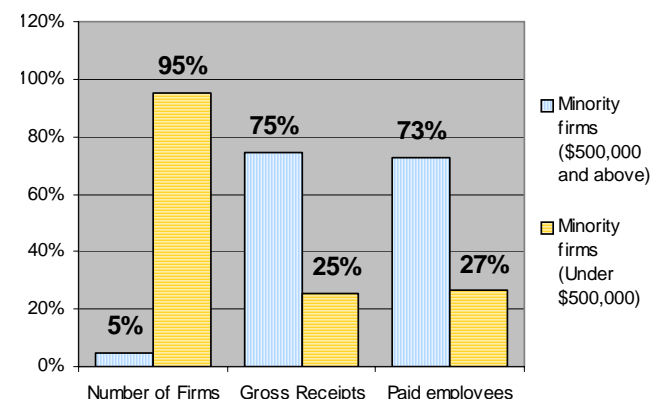
The State of Minority Business

The minority business landscape in 2002 would have been quite different if parity had been achieved. Parity is defined as reaching proportionality between the adult minority population and business development measures such as numbers of firms, gross receipts and employees.



- If the number of minority firms reflected the 2002 minority population share, there would have been over 2.4 million more firms, totaling over 6.5 million firms.
- Gross receipts would have been more than \$2.5 trillion, which is almost four times the actual number.
- Paid employment would have totaled nearly 16.1 million—more than three times the actual number.

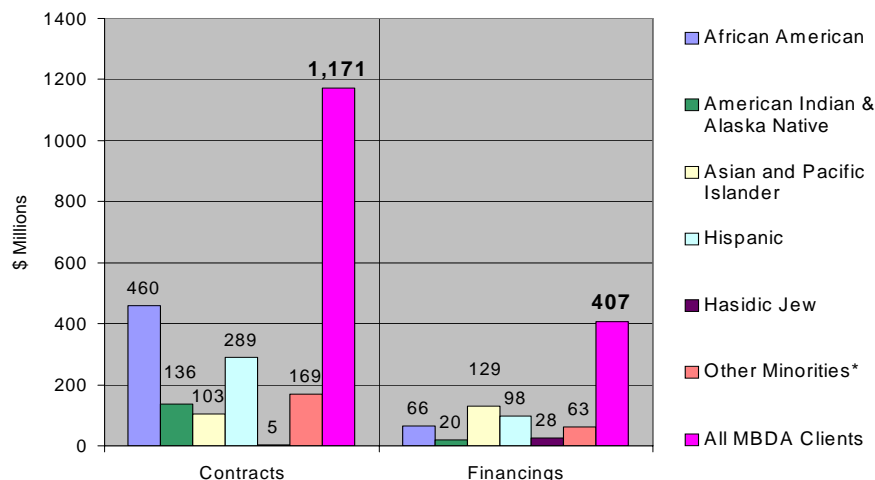
Minority Firms by Receipts Size, 2002



- While smaller in number, minority firms with receipts of \$500,000 or more generate a much larger percentage of all minority revenues and paid employment than firms with receipts under \$500,000.

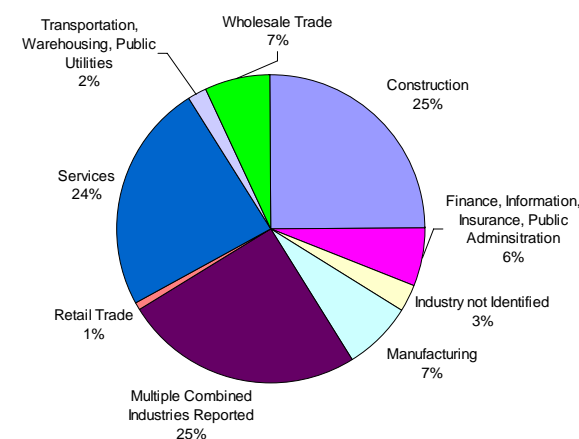
Moving the Numbers. MBDA Contribution to the Success of Minority Business Enterprises

Value of Contracts and Financings Obtained By Minority Firms through MBDA, FY 2006



- MBDA clients obtained \$1.578 billion in contracts and financings in fiscal year 2006.
- Other Minorities include MBDA clients for which the specific racial and ethnic category was not identified.

Percentage of Contracts Obtained by Dollar Value, FY 2006



- Construction contracts represented 1/4 (\$258.9 million) of all the procurement opportunities secured by MBDA funded projects.
- Contracts awarded to MBDA clients for Construction and Services exceeded \$512 million.